

Q: ***What is predatory pricing?***

A: Predatory pricing occurs when a supermarket site recycling center receives and uses handling fees to pay a higher price for empty beverage containers than competitors. The amount paid must exceed both the refund value for a specific type of container material AND the average scrap value paid by certified recycling centers for a three-day period

*Example: If a supermarket site pays the CRV minimum only, the center cannot have engaged in predatory pricing. However, if the supermarket site pays one-cent more than the average scrap value offered by other nearby recycling centers, the center may have engaged in predatory pricing.*

Q: ***Who may file a complaint of predatory pricing?***

A: Any certified recycler located within five-miles of a supermarket site in urban areas and 10-miles in rural areas may file a predatory pricing complaint. The Division uses the designations of the Federal government in determining urban and rural areas.

Q: ***What is the deadline for submitting a predatory pricing complaint?***

A: A predatory pricing complaint must be submitted to the Division within 60 days of the alleged violation.

Q: ***How do I file a complaint of predatory pricing?***

A: To file a predatory pricing complaint, contact the Division's Certification Services Branch by calling (916) 322-1974 or fill out a complaint form [DOR51 LINK](#) and fax it to (916) 323-4907, or mail it to:

Department of Conservation  
Division of Recycling  
801 K Street, MS15-59  
Sacramento, CA 95814

Q: ***What condition must exist for a predatory pricing complaint to be considered valid?***

A: A complaint will only be considered valid if the supermarket site recycling center that is alleged to have engaged in predatory pricing received handling fees within 60 days before the date of the alleged violation.

Q: ***What happens after a predatory pricing complaint is filed and determined valid?***

A: Within 60 days of validating a predatory pricing complaint, the Division will 1) determine the average scrap price paid by non-handling fee recycling centers for the material type over a three-day period; and, 2) set and hold an informal hearing if it is determined that there is probable cause that the supermarket site recycling center engaged in predatory pricing.

If a hearing is deemed necessary, the Department will send a copy of the findings to the complainant and respondent 10 days prior to the hearing to allow both parties time to review the document and prepare for the hearing.

Q: ***Which recycling centers will the Division survey to determine the average scrap price paid?***

A: The Division will survey recycling centers within five-miles of the supermarket site (10-miles in rural areas) that did not receive handling fees in three or more months during the year preceding the date of the alleged violation.

Q: ***What is the three-day period surveyed to determine the average scrap value paid by other non-handling fee recycling centers?***

A: The three-day period that will be surveyed includes the day before the complaint date, the complaint date, and the day following the complaint date.

Q: ***What is the penalty for engaging in predatory pricing?***

A: If a supermarket site recycling center is found to have engaged in predatory pricing, the recycling center will lose its eligibility to receive handling fees for a set time period—first offense, six-months; second offense, one-year; and third offense, five-years. This ban affects only the site where the violation occurred; it does not affect any other sites owned by the same operator.

Q: ***Where can I get more information about the Predatory Pricing and Unfair Recycling Competition law?***

A: Chapter 7.5 Public Resources Code 14588, 14588.1(a-b), & 14588.2(a-g) LINK  
Chapter 14 California Code of Regulations Section 2135 LINK  
Contact the Division's Certification Services Branch at 323-3008